

ANNUAL BUDGET

2004-2005

CHANDLER, ARIZONA

CONSERVING WATER

FOR OUR FUTURE



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Visitors to the Valley's many cities and towns

are often amazed by the number and variety of

plants they see. With the many fountains,

lakes, parks, and grass lawns, they quickly

forget they are in a desert - the Sonoran Desert

to be exact. Even though Chandler has an ade-

quate supply of water, we need to use our most

precious resource wisely. Our practices today

will have profound effects on the future; the

same future in which our children will live.

CONSERVING WATER

FOR OUR FUTURE



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CITY OF CHANDLER, ARIZONA

2004-2005

ANNUAL BUDGET



*City Council
from left to right*

*Donna Wallace
Councilmember*

*Phill Westbrooks
Vice Mayor*

*Lowell Huggins
Councilmember*

*Bob Caccamo
Councilmember*

*Martin Sepulveda
Councilmember*

*Boyd W. Dunn
Mayor*

*Matt Orlando
Councilmember*

*W. Mark Pentz
City Manager*

*Patricia Walker
Management Services Director*

Budget Staff

Susan Horner, Budget Manager

Wendy Rodriguez

Janet Northrup

Kimberly Prendergast

Karen DeMember

Gary Yuva

Dear Chandler resident:



It is with great pride that we present to you the 2004-2005 Budget for your community. This document is prepared with great care and comprehensive analysis, and it will guide us through the coming fiscal year. Much work has been done to insure we bring to you a plan that is prudent and sensible.

The theme for this year's book makes use of the City's expansive Water Conservation program, graphically enhanced with much of the State's beautiful Xeriscape flora. And just as we work tirelessly to conserve our planet's natural resources, we also put forth a never-ending effort as stewards of your tax dollar.

We find ourselves at a critical juncture in the development of this community. We have new leadership with City Manager Mark Pentz, as well as new additions to our City Council. The many decisions we as leaders make today will carry us forward with momentum and spirit into a better tomorrow. And the absolute key in how we continue to craft Chandler will be through those efforts and resources we place on a strategy for the community's build out.

In just six years, Chandler will attain 95 percent of its build-out population. What we do now in planning for that will directly impact the sustainability of our community for generations to come.

We want those neighborhoods currently in place, along with those we build tomorrow, to maintain their vitality. Utilizing such tools as impact fees, the Southeast Chandler Area Plan and our Residential Diversity Standards, a solid foundation is in place for those areas marked for residential development. Our goal is to achieve a balance of housing, industry and retail that allows Chandler to flourish as it has these past 92 years.

And now we look forward to a re-stabilizing economy. In 2003, we witnessed the creation of 4,400 jobs in Chandler. Wells Fargo adds another exclamation point to the dynamic employment corridor developing along Price Road. Anchoring the south end of the Price is Intel, committing an additional \$2 billion investment in Chandler – and a very encouraging sign for the semi-conductor industry.

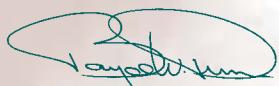
More exciting news for Chandler is that we have secured what we feel to be a very promising bio-medical presence in Chandler – which will need to continue its expansion in the upcoming years. These firms work to diversify a job base that is now 80,000 strong.

With that being said, we still face many economic challenges as a rapidly growing community. Each year, we bring to you this document as a tool to better understand the financial aspects of how your city is run and how your tax dollars are utilized.

As we prepared the budget for the coming fiscal year, we remained fiscally responsible in our actions. Fiscal policies that have brought to our City a AAA bond rating that must remain in place to assure our continued prosperity. You will see this is a very conservative budget. While we are not facing layoffs, hiring freezes or the use of reserve funds – we are taking extreme caution in our spending.

Please take some time to review your City's budget. I assure you that every area of your City finances has been explored to ensure our exceptional levels of service remain in place, but that no unnecessary costs to taxpayers exist within these pages.

Sincerely,

A handwritten signature in black ink, enclosed in a decorative oval border. The signature reads "Boyd W. Dunn".

Mayor Boyd W. Dunn



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READER'S GUIDE TO THE BUDGET DOCUMENT

This budget document has been prepared to present a financial plan that an average citizen can read and understand, and to provide the City Council and City Management with a tool to help meet their goals and provide quality service levels at the lowest cost to citizens. This budget document is also designed to continue our long tradition of meeting or exceeding the standards set by the Government Finance Officers Association (G.F.O.A.) for a Distinguished Budget Presentation Award, by providing: a Policy Document; an Operations Guide; a Financial Plan and a Communication Device.

Introduction – This section includes the City's Mission Statement, Biographies of City Officials, Organizational Chart, City Maps and Community Profile with Demographics.

Budget Message and Overview – The City Manager's Message provides an overview of the key policy issues, programs, prior year accomplishments and future endeavors. Summaries of the 2004-05 Budget by revenue, expenditures, fund balance and personnel are also included in this section.

Budget Policies and Major Issues – This section begins with a summary of policies and guidelines, the budget process and calendar. The remainder of the section describes in greater detail the major issues considered when developing the budget, as well as positions and program additions for the 2004-05 Annual Budget.

Resources – The resources section provides summarized data of the comparison of the 2003-04 Budget and the 2004-05 Budget. Detailed descriptions of major revenue sources with historical trends and analysis are presented here as well.

Department Budgets – The section includes budget information summarized at department and division level, division goals, objectives and performance measurements, authorized positions and significant changes by divisions within City departments. In the City of Chandler each division is assigned a unique number, known as the "cost center"; the information in this section is presented in the sequential cost center number within a department.

Capital Budget – Capital appropriations are provided at the summary and cost center level for major capital programs, operating capital and capital replacement. The relationship between capital and operating budgets is also included in this section.

Bonded Debt – This section includes the City's debt obligations, bond capacity available, schedule of total outstanding debt, brief descriptions of bond types with revenue sources used to repay bonded debt, as well as bond payment schedules with actual principal and interest due through 2020.

Schedules and Terms – Included in this segment are the following: the Resolution Adopting the 2004-05 Budget, the State-required Auditor General Summary Schedules, Financial Schedules by Fund, the 2004-05 Salary Schedule, Expenditure Categories, a Glossary of Terms, and a list of Acronyms used in this Budget.



QUICK REFERENCE GUIDE

The following will assist the reader with answering some of the more commonly asked questions about the City of Chandler Annual Budget.

TO ANSWER THESE QUESTIONS...	REFER TO THE ...	PAGE...
What are the major issues in the budget?	Budget Policies and Major Issues	pp 54-63
What are the City's major expenditures?	Cost Center/Department Summary Budget Comparisons; and Details by Department/Cost Center	pp 26-28 and pp 103-314
What are the City's major revenue sources?	Revenues Details	pp 65-102
How many staff does the City employ?	Personnel Summary	pp 39-42
How is the City organized?	Organization Chart	p 10
What is the population of the City?	Demographics	p 15
What is the budget development process?	Budget Process	pp 50-53
Who are the major employers in Chandler?	Community Profile	p 12
What are some of the annual events sponsored by the City?	Community Profile	p 14
What portion of the annual budget is allocated to Capital Improvements?	Capital Budget	p 315
In what cost centers are Major Capital Programs scheduled for 2004-05?	2004-05 Major Capital Program	pp 326-333



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